





We have always stood for convenience ...

And we should also be a place where  
customers can feel good, where we make it  
easy to make good decisions.



## About This Report

This is the twelfth corporate social responsibility (CSR) report issued by President Chain Store Corporation (PCSC). The report is in accordance with the core options of the Global Reporting Initiative and the Standard for Food and Retailers Distributors Industry of the Sustainability Accounting Standards Board (SASB).

This annual report presents PCSC's viewpoints and actions taken concerning CSR, elaborating outcomes in 2020 and future plans on corporate governance, economy, environment, and society. Material topics applicable to PCSC were selected based on materiality assessment (see chapter Roadmap for Sustainable Management). It's our hope to maximize benefits for all stakeholders through disclosure, communication and feedback and to accomplish our ultimate goal of becoming the greatest retail business.

## Period, Scope and Data Included in the Report

This report details PCSC's CSR performance of the 2020 calendar year (January 1, 2020 to December 31, 2020), with some of the information before 2020. This report boundary focuses on PCSC mainly, including the headquarter, retail locations and shopping centers. In addition, four affiliated logistics companies (Uni-President Cold-Chain Corporation, Wisdom Distribution Service Corporation, Retail Support International, and President Logistics International Corporation) have been incorporated in the report due to their relevance to the operations and the influence they have on material issues, including energy and greenhouse gasses (Scope 3), customer health and safety. We expect to include data from other affiliated companies in order to present comprehensive information on PCSC's value chain in the future.

## Report Management ▶▶▶

### Internal Audit

- ⚙️ The correctness of the report is verified by the supervisor of each PCSC department.
- ⚙️ The report is approved by the PCSC Sustainability Committee.
- ⚙️ The corporate social responsibility performance is regularly reported to the PCSC Board of Directors.

### External Certification

- ⚙️ **Financial data:** Unqualified Audit Report 【PwC Taiwan】
- ⚙️ **Environmental data:** ISO 14064-1:2018 (SGS), ISO 50001 【SGS】
- ⚙️ **Governance data:** TPIPAS , Taiwan Personal Information Protection and Administration System 【Institute for Information Technology】
- ⚙️ **Occupational health and safety data:** ISO 45001 【SGS】
- ⚙️ **Social data:** Principles of Social Value 【Social Value International】
- ⚙️ **Sustainability data:** AA1000ASv3 Type2 【SGS】
- ⚙️ **Sustainability data:** Limited assurance in accordance with the Statement of Assurance Engagements Standards No. 1, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" in the Republic of China 【PwC Taiwan】

## Release date ▶▶▶

PCSC releases annual CSR reports on the company website at [www.7-11.com.tw](http://www.7-11.com.tw).

- Current version issued: June 2021
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## Contact ▶▶▶

### President Chain Store Corporation

 Address: 2F, No. 65, Tung-Hsin Rd., Taipei 110, Taiwan

 Phone: 886-2-2747-8711

 Website: [www.7-11.com.tw](http://www.7-11.com.tw)

 PCSC CSR website: <https://www.7-11.com.tw/company/csr/index.aspx>

 Contact person: Zhao, Pei-Wen, PCSC Sustainability Committee Secretariat /PCSC Public Affairs Department



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## Message from the Chairman and the President



**Chairman**

**Lo, Chih-Hsien**

42 years have passed since the inception of PCSC in 1978. In 1999, PCSC opened 2,000 stores. In 2005 the number reached 4,000, and in 2020 the number exceeded 6,000. The rapid growth is a result of the diversification of our product and services and illustrates the fact that PCSC is intertwined with many aspects of people's everyday life. With that in mind, PCSC is committed to engaging in positive interactions with all stakeholders and carrying out our corporate social responsibilities. With the risk of climate change, aging population and the disparity between the rich and the poor, PCSC is responsible for providing sustainable products and services to help consumers to make better choices for the environment and society more easily.

With the active engagement in ESG and sustainable development, our capabilities for sustainability governance have won even more recognition domestically and abroad. In 2020, PCSC stood out from 63 global food retail businesses to win the title of "Industry Leader" of Dow Jones Sustainability Index (DJSI) in 2020 and was re-listed on the Dow Jones Sustainability World Index and Dow Jones Emerging Markets Index, ranked as the first place in the global food retail business. Moreover, PCSC was rated AA by the MSCI ESG, ranked in the top 5% in the Taiwan Corporate Governance Evaluation System for the 6 consecutive years, and selected by the FTSE4Good Emerging Index, MSCI ESG Leaders Indexes, MSCI Global SRI Indexes, TWSE Corporate Governance 100 Index and FTSE4Good TIP Taiwan ESG Index. In the meantime, PCSC was again given the Corporate Sustainability Award by the TCSA (the only convenience store winner.)

The most vital factor in sustainable governance is adhering to the core values of the company. In 2020, PCSC focused on its sustainable development roadmap for the first time. Multiple sustainable action plans were carried out to boost development in six aspects, including "strengthening corporate governance and realizing sustainable management", "product quality commitment and consumer safety protection", "taking advantage of the retail industry to create a convenient life," "promoting employee welfare and social stability," "social welfare engagement to benefit disadvantaged groups," as well as "energy saving, waste reduction and green operations" to achieve co-prosperity with the society. In response to the COVID-19 outbreak, PCSC complied with government policy by selling masks, protective suits, as well as providing food that is easy to preserve. To mitigate climate change and the depletion of natural resources, we have launched two innovative product lines-"Love Food" and "Plant-based." We will continue to manage the value chain to achieve the goal of halving surplus food by 2030. We have equally set up the "plastic reduction

team" as part of the plastic reduction project. With the goal of eliminating disposable plastic by 2050 and establishing the corporate image of a world benchmark, we have built a top-down business model that favors environmental protection. Besides making progress in environmental sustainability, PCSC has kept its responsibilities and commitment to its employees and the society in mind. The Happy Cooperative Society was founded as a long-term attempt of staying updated with issues around work and life pressure. Internal volunteers care for employees' mental health by reaching out and giving referral for consultation. Moreover, we continue to promote health and well-being, elderly care, urban and rural development, education and culture, environmental protection and charity donations. In 2020, we launched the "What Time Is It? Café" project that focused on dementia prevention and care. The project implemented the methodology of social return on investment and received the international certification of SROI (Social Return on Investment). It was estimated that each NT\$1 of investment could create 4.61 times of social influence. With the initiative, PCSC was the first food retail business in Taiwan that submitted an SROI certification based on elderly care.

In order to strengthen PCSC's sustainable development ecosystem, we have incorporated seven elements in the sustainable growth strategy, including people, stores, products, logistics, systems, institutions and culture. To stay in line with the "Corporate Governance 3.0 - Corporate Sustainable Development" proposed by the Financial Supervisory Commission R.O.C. (Taiwan), PCSC has declared 2021 as "the Starting Year of Sustainability." The Sustainable Development Committee under the Board of Directors is responsible for promoting ESG by incorporating elements of sustainable governance in the core of corporate culture and decision-making to realize long-term goals, including environmental protection and plastic reduction, energy saving and carbon reduction, sustainable procurement and food waste reduction. In line with the United Nations Sustainable Development Goal #12, we aim at "facilitating green economy and ensuring sustainable consumption and production models." Looking forward, PCSC expects to act as a benchmark that exceeds customers' expectation. With innovative thinking and vision of sustainability, we will create a retail ecosystem that achieves prosperous co-existence.



**President**

**Huang, Jui-Tien**

## Honors and Recognition

PCSC was listed for the second time on the Dow Jones Sustainability World Index and Emerging Markets Index and named as the **“Industry Leader”** in the global food retail business.

PCSC once again ranked in the top 5% in the Taiwan Corporate Governance Evaluation System, the only listed retail company listed for the sixth consecutive year.

PCSC was selected again by FTSE4Good Emerging Index, MSCI ESG Leaders Indexes, MSCI Global SRI Indexes, TWSE Corporate Governance 100 Index and FTSE4Good TIP Taiwan ESG Index.

PCSC was again presented the Excellence in Corporate Social Responsibility by **Common Wealth Magazine**.

PCSC was awarded the **SGS 2020 CSR Awards** for the first time.

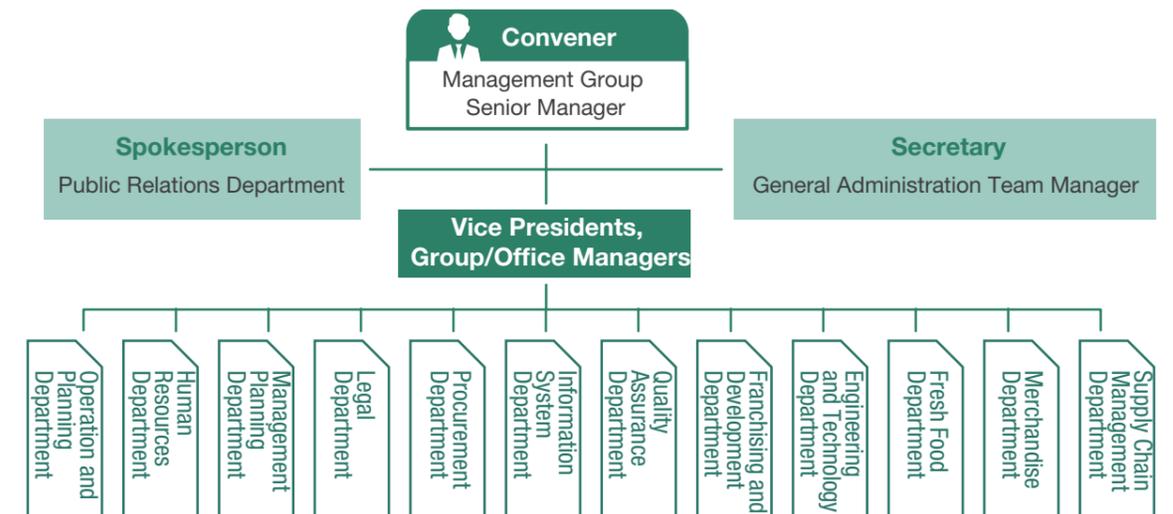
PCSC was given the **Corporate Sustainability Award** by the TCSA for the 4<sup>th</sup> consecutive year, the **Platinum Award** in the Wholesale and Retail Industry and the **Silver Award** for the English Report.

PCSC won the **Social Empowerment Award** from Enterprise Asia for the first time.



## Convenient Stores Joining the Fight against the Pandemic

The COVID-19 pandemic started wreaking havoc in the beginning of 2019. With the society overwhelmed by fear and uncertainty, PCSC quickly organized the “COVID-19 Crisis Management Team” helmed by the President to prevent the pandemic by setting up different lines of defense — “social protection,” “employee care” and “continuous operations.”



### Social Protection: Taking Care of the General Public by Leveraging the Capabilities of the Channel

#### Sales of Masks, Protective Suits and Food Supply

When the pandemic broke out, PCSC leveraged the characteristics of the industry and the promptness to start selling masks and protective suits. Besides preventing the pandemic, people cared about daily essentials supply the most. PCSC provided easy-to-stock items, including rice, noodles, oil and cans to reassure consumers the availability of diversified and qualified products.

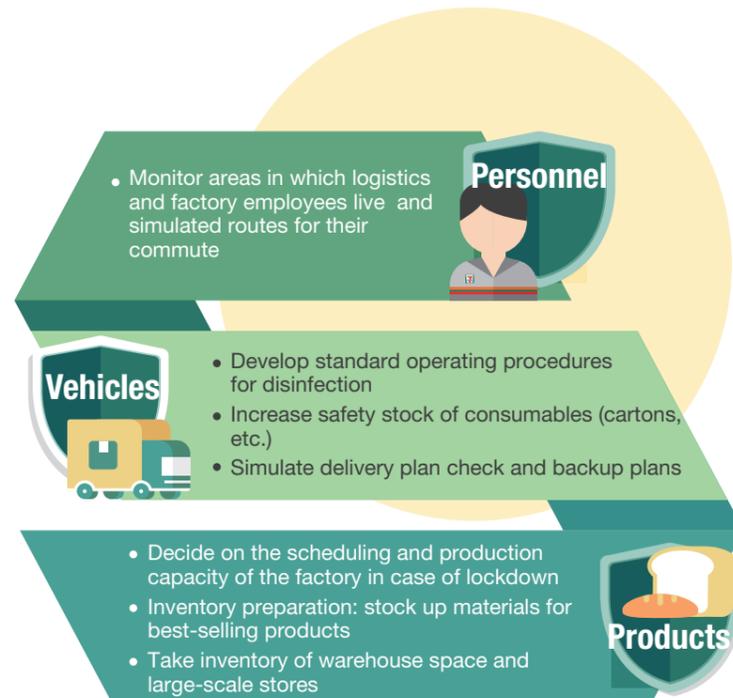


### In-store Protective Measures

To prevent the pandemic while offering services, PCSC either shut down the dining area or set up dividers at high-risk stores, and placed floor markers to maintain social distancing.

### Maintaining Operations

The pandemic had a huge impact on the distribution industry, especially in terms of stable supply and logistics. Besides expanding storage space and increasing inventory, PCSC had lockdown simulation plans in place for “personnel,” “vehicles” and “products” to safeguard all citizens amidst all challenges.



### Employee Care

#### Epidemic-prevention Measures

PCSC sees employees as the most important asset. We have the responsibility and obligation to take care of the employees. During the pandemic, PCSC took care of employees’ health and livelihood through prevention, reporting and care.

Prevention	Physical Prevention	<ul style="list-style-type: none"> <li>Employees are required to wear masks at work</li> <li>Daily temperature check</li> <li>All non-essential external visits are halted at the peak of the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Increase disinfection frequency at the headquarter</li> <li>Increase stock of cleaning supplies</li> <li>Set up dividers in open space</li> </ul>
	Subsidy	<ul style="list-style-type: none"> <li>Subsidy is offered to employees who suffer financial loss due to the cancel of trips abroad</li> <li>Deliver epidemic-prevention packages (containing food and cleaning supplies) to employee homes</li> <li>Self-paid PCR test is fully subsidized for expats returning to Taiwan</li> <li>Covid insurance coverage is offered to all employees</li> </ul>	
	Campaign	<ul style="list-style-type: none"> <li>Created animation regarding epidemic-prevention to help all employees stay updated with most up-to-dated information</li> </ul>	
	Reporting	<ul style="list-style-type: none"> <li>Online reporting mechanism</li> <li>Formulated internal standard reporting procedure as well as external standard response procedure</li> </ul>	
	Care	<ul style="list-style-type: none"> <li>For stores located at hospitals, PCSC offers subsidy for increased risks as well as increased insurance coverage for stores near hospitals</li> <li>Senior executives cheered for employees at high-risk stores and their families with letters</li> </ul>	

## Letter from Senior Executives to Employees at High-risk Stores

Dear Store Manager and employees of Chang Ling Store,

With COVID-19 wreaking havoc in the world, both the public and private sectors in Taiwan are pulling together to put a stop to it. The pressure and hardship experienced by you all at the forefront of epidemic prevention must be even greater than what the others are experiencing. Faced with such adversity, your dedication and effort for doing your job has shone a spotlight on 7-ELEVEN’s intention for contributing social stability. On behalf of PCSC’s operation group, I would like to extend my utmost respect and gratitude!

During this pandemic, I will continue to work with the logistics team to satisfy your needs, including daily essentials and disinfection supplies (N95 masks, alcohol, anti-dust/anti-stain gloves, etc.). The company will also provide everyone with a monthly risk allowance and increase the coverage of medical insurance to ensure everyone's health and safety. Should the store have any other needs, please report to the district consultant and district manager. The logistics team and I will do our best to help.

It may take some time to cope with the various impacts brought about by the pandemic. I also hope that all the staff to set your safety and your family’s safety as the first priority. I believe that with concerted efforts, we will be able to overcome all difficulties and challenges together.

Our best employees make PCSC the best enterprise that offers topnotch services. Let’s work hard together!

Sincerely,  
Vice President of the Operation Group

## Love Food: Inviting Consumers to Reduce Food Waste

According to the UN Food and Agriculture Organization (FAO), one-third of the food produced in the world is discarded at roughly 1.3 billion tons. If food waste is regarded as a country, it is ranked after China and the United States as the third largest carbon emissions country.

Food waste is not simply the waste of food. It is accompanied by greenhouse gas emissions, water shortage, deforestation and land erosion, loss of biodiversity and so on. Therefore, the urgency of reducing food waste is self-evident.

As part of the retail industry, PCSC is closely intertwined with food. It has taken the responsibility in reducing food waste from the four aspects including raw materials, logistics, store orders and sales. In 2020, with the introduction of Love Food, PCSC successfully reduced 4,257.53 tons of food waste.



One-third of the food produced in the world is discarded at roughly 1.3 billion tons.

### Raw Materials: Starting from the Very Beginning

To avoid wasting food materials, PCSC has selected fresh food with the best quality. 7-ELEVEN has asked suppliers to be credited with government-approved TQF, CAS and HACCP certification. The products contain no preservatives to reduce food safety risks and to prevent food waste during production. In terms of food processing, all processes are controlled in the 7 °C cold chain from food processing, production to delivery. We entrust third-party inspection to provide high-quality fresh food that meets the inspection standards while avoiding food materials being discarded due to bacteria growth.

### Logistics

PCSC has built a dense low-temperature logistics network. There are 14 fresh food factories (operated under 18°C and 4°C) in Taiwan. All food is distributed at low temperature throughout the logistics and distribution network to reduce the growth of microorganisms caused by temperature change, resulting in reduction in food waste.

### Store Orders

PCSC has built a sales forecast ordering system. When the store places an order, the system automatically generates the order value. In addition to evaluating factors such as the weather, it can also place accurate orders compared to the store's sales in the same period last year. This reduces inventory, food scraps and food waste.

In addition, starting from August 2020, 4°C factory's time for placing order is advanced to 12 hours before delivery. This allows fresh food factories to adjust supply and demand earlier and reduce food depletion to a minimum.

### Sales

PCSC introduced the "Love Food" pilot program at its 800 stores in Taipei in April 2020. The program was expanded to 5,700 stores from June 3. We upgrade the "smart labeling system" that was originally used for flagging expired products. In addition to keeping an eye on the shelf life, a 30% discount is also given 8 hours prior to expiration. The program covers over a hundred products, and it is estimated that the amount of food waste that was reduced is the equivalent of 4 million Onigiri (rice balls). PCSC will continue to manage the value chain to achieve the goal of halving food waste by 2030, contributing to the mitigation of climate change.



## Happy Cooperative Society

"Happy Cooperative Society" was established in 2020 to help employees de-stress from work and life, maintain physical and mental health as well as healthy interpersonal relationships. The program has introduced professional trainers to train employees with passion as volunteers. The volunteers take the initiative to care for the employees and refer them to professional consultation, offering the employees timely and effective assistance.

### Volunteers Trained by Professional Trainers

The "Happy Cooperative Society" incorporates professional resources from the Teacher Chang Foundation to offer gradual training from basic, intermediate to advanced levels, equipping volunteers with required capabilities. The training covers courses as well as an internship after basic training to offer cases the care they need, giving volunteers enough training in theory and practice.





We also have a rigorous licensing mechanism. Volunteers have to meet certain conditions to become a licensed volunteer. In addition to completing basic to advanced training, they have to meet certain requirements in terms of time, number of cases, interview records, counseling experience and so on. They also need to participate in group seminars to communicate and grow with other volunteers. After obtaining the license, we also support their growth with a group support network. Regional group seminars and annual conferences that promote exchange and learning among volunteers are regularly organized. With the complete volunteer training and follow-up learning mechanism, we ensure that both the professional capabilities and mentality of all volunteers can be guaranteed.

### Caring Mechanism

Volunteer care covers a wide scope of topics, including workplace relationships, work adjustment, family, gender relations and health. Cases are categorized and managed by levels. If further assistance is needed, professional resources or referral to professional counseling services will be offered. Posters about volunteer services are posted on all floors of the back office and storage rooms in stores, allowing all PCSC employees to know how to seek the assistance they need.



(Note) The seminar was canceled in 2020 due to the epidemic. This photo comes from the 2019 event.

### Helping Employees Feel Settled During the COVID-19 Pandemic

It was hard not to feel anxious from the news during the COVID-19 pandemic. To this end, we launched the employee care program for local volunteers to assist colleagues in the same area in feeling more settled. Moreover, with the situation becoming worse abroad, we started caring for employees abroad and their families in Taiwan on the day the first case was reported. In the meantime, their itineraries were kept on track with a reporting mechanism and backup office prepared. This helped the employees concentrate on work and reassure their families in Taiwan. Besides staying updated with the health of expat employees, video conferences were arranged to understand what they and their families needed, as well as offering strategies and assistance in line with the pandemic. This included delivering epidemic prevention supplies, medication for chronic illnesses and increasing insurance coverage.

### Results



By 2020, **280** volunteers have been trained with **154** licensed.



In 2020, a total of **190** cases were taken care of with a total of **135** hours. As of 2020, a total of **3,563** people have taken advantage of the service with over **2,779** hours.

In response to the COVID-19 pandemic, **6** video conferences were arranged in 2020 to stay updated with expat employees.

Internal volunteer training has saved the counseling fee for referral to external Teacher Chang Foundation, with an estimated return on investment of **2.21** times ( Note 1).

The ratio of employees actively seeking help and supervisors referring employees has reached **66%**, representing the trust and recognition of the Happy Cooperative Society (Note 2).

Note 1: The return on investment is the ratio of the cumulative training cost per volunteer from 2010 to 2020 and the cost of Teacher Chang Foundation's fee for cases, namely the estimated cumulative cost of external Teacher Chang Foundation services (NT\$5,752,000) / total volunteer training cost (NT\$2,602,000).

Note 2: Another 34% accounts for volunteers actively offering employee care.

### Experience Sharing



Volunteer

I thought I learned these skills to help others, but I personally benefited the most. I have more tolerance and understanding for my relatives, friends and colleagues!



Recipient

I joined the Happy Cooperative Society because I hoped to increase my abilities to help those around me, but I was the first to be benefited. Life isn't all smooth-sailing. I had counseling during a difficult period in my life, and it helped me recognize my own value, clarify my obsession, changed my thoughts and perspectives while making me feel 10 times lighter.



Volunteer

I am lucky to have the volunteer listen to what I had to say. I was able to express my emotions and think about new ways to deal with my problems.

## What Time Is It? Café

According to the statistics from the Ministry of Health and Welfare (MOHW), the prevalence rate of dementia among the elderly over 65 is about 3.4%. This means 1 person with dementia out of 12, and 1 for every 5 over the age of 80. The older people are, the higher the prevalence rate. However, studies have found that the general public does not have a correct understanding of the disease and lacks vigilance. Coupled with the lack of services for dementia patients and caregivers at home, it means that the prevention and care of dementia is an urgent issue.

PCSC has recognized that the aging society is an irreversible trend. To this end, it works with the community charity through its wide bases, product ranges and services. Learning from the experience of Europe and Japan, PCSC began to collaborate with social welfare organizations such as the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation. The "What Time Is It?" Café initiative was launched in 2017 to turn convenience stores into safe venues for elders with dementia to rehabilitate through daily activities, as well as the best way to highlight the disease for the general public.

### Program Goals



**Create a friendly space and practice the innovative care model of rehabilitating in daily life**

At present, dementia has no cure. However, its progression can be delayed with therapy. Studies point out that participating in community activities can help delay the progression of dementia. Therefore, PCSC provides internship opportunities to allow elders with dementia to maintain interactions with the crowd in a friendly and familiar environment, realize their potential, keep their dignity, as well as giving their caregivers some time off.



**Act as a social platform to destigmatize dementia**

Many people regard dementia as the inevitable result of aging, therefore ignoring the importance of seeking medical treatment in a timely manner. The lack of understanding of dementia can easily lead to stigma or discrimination. PCSC works with social welfare organizations in the hopes of giving the public the opportunity to get to know elders with dementia through this model, as well as applying this experience to other cities.

### Program Details

Elders with dementia work as interns at the stores for one hour a week. Accompanied by store employees, they assist with welcoming consumers, arranging store displays, working with cash register, making coffee and so on.

### Program Highlights



The first convenience store model for elderly interns in Taiwan: it increases the chance of letting them be in the crowd and slow down the progression of dementia.



Dementia education for the general public: the convenience store allows the general public to understand dementia better in their daily life.



## Impact Evaluation

In 2020, PCSC introduced the Social Return on Investment (SROI) methodology to measure the results of the "What Time Is It? Café" program, as well as completing the first certified elderly care SROI report in the food retail industry in Taiwan.

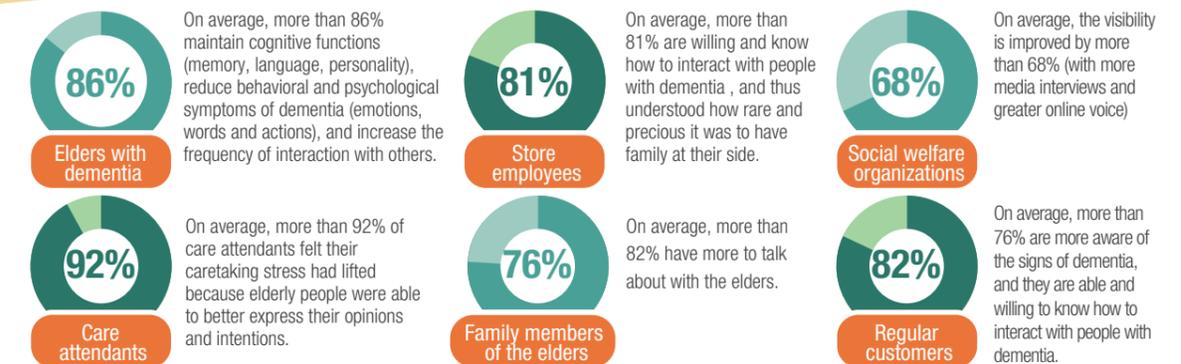
Based on interviews and questionnaires with stakeholders such as the elderly's family members, store employees, caregivers and so on, we came to the conclusion that every NT\$1 invested in the program created the social value of NT\$4.61.



**SROI=4.61**

The highest total value of the outcomes comes from the elderly with dementia (accounting for 36% of the total results), showing that the program has significant benefits for targeted organizations. The first three outcomes are delaying the progression of dementia, increased dementia literacy, improved family relations, improved CSR image, and better business performance. The first two achievements show that the program does help alleviate dementia and create a dementia-friendly environment.

### Result Highlights



### Experience Sharing

**Family members of the elders**

Grandma smiles more and has better social skills now. Her activity was restricted to making dumplings with the neighbors in the past, but she is now more outgoing after participating in the What Time Is It? Café. Now she greets strangers and is livelier and more confident.

**Regular customer**

The program draws the consumers' attention to the issue of dementia. I think the experience will enrich our lives and become a topic we can talk about with friends and family.

**Care attendants from the social welfare organization**

Grandma can now express herself better, so that our interactions have improved. This depends on the individual of course. Those with better cognitive functions are easier to take care of, and the experience is less tiring. Even if their cognitive functions are now regressing, they do so more slowly.

## Reduce Plastic Use

The durability and low-cost nature of plastic has brought convenience to human beings. However, due to improper use and management, plastic pollution has become a major environmental issue of the century, with importance rivaling climate change. It not only threatens land and marine ecosystems, but also has an impact on human health.

PCSC opened its first convenience store in 1979 to revolutionize consumers' lives with the most convenient services. However, the brand's core philosophy includes "innovation" and "safety" in addition to convenience. In response to the challenge of plastic pollution, we named 2020 as the First Year of Plastic Reduction. This marked the beginning of our plastic reduction journey, so that we could continue to provide a convenient and reassuring lifestyle as the leader of the industry.

### Plastic Reduction Blueprint

PCSC has established a plastic reduction and environmentally-friendly business model from top to bottom. The Company has formulated a plastic reduction policy with medium- and long-term goals, as well as action plans while continuing with internal and external communications to shape the image of a world-class benchmark enterprise based on company vision and own brand, combining products, services, logistics, e-commerce and other business strategies.



### Plastic Reduction Task Force

In August 2020, the CSR Committee established a Plastic Reduction Task Force to formulate strategies, medium- and long-term goals and action plans. Monthly meetings are organized to track the implementation of various action plans.



### Announce Plastic Reduction Targets

PCSC officially announced the medium- and long-term plastic reduction targets to achieve the final target of eliminating single-use plastic by 2050.



(Note) In line with the Environmental Protection Administration's policy, PCSC no longer offers plastic bags or straws for takeaway. The target is limited to when consumers ask for straws or purchase plastic bags. In the future, they will no longer be provided or be replaced by non-plastic versions.

### Statistics of Packaging and Packaging Materials

PCSC divides plastic packaging and packaging materials into reusable plastic, compostable or decomposable plastic or recyclable plastic, as well as single-use plastic. The volume of plastic at each stage is inventoried in line with two dimensions--product life cycle and service type as performance measurement and the base for target achievement review, as well as planning the corresponding plastic reduction action plan.

<b>Reusable plastic</b>	Packaging that can be refilled or reused for the same purpose with no auxiliary
<b>Compostable or decomposable plastic</b>	Compostable and technically recyclable plastic packaging has been developed
<b>Recyclable plastic</b>	Recyclable plastic defined by EPA (Note 1)
<b>single-use plastic</b>	Plastic that cannot be recycled, composted/decomposed and reused (Note 2)

(Note 1) The EPA defines recyclable plastic as including PET, PVC, PE, PP, PS, PS unfoamed and others. If the material itself is recyclable without having obtained the EPA's recycling label, or cannot be properly recycled in the current waste disposal system, it is not considered as recyclable plastic.

(Note 2) Even if garbage bags are made of recyclable materials, they are still considered as single-use plastic.

Product life cycle				
Own brand	Production	Supplier shipment	Store distribution	Sales and services at the store
<b>Packaging</b>	<ul style="list-style-type: none"> <li>● Fresh food: boxed products (bento)</li> <li>● Fresh good: products with soft packaging (Onigiri)</li> <li>● Own brand: food and drink with iseLect packaging</li> <li>● Drink: iseLect iBEER</li> <li>▲ Own brand: UNIDESIGN and other daily essentials</li> </ul>		(Stores on outlying islands)	<ul style="list-style-type: none"> <li>● Plastic shopping bags, net bags, tableware, packaging for all store supplies (chopsticks packaging)</li> <li>● Sealing tape</li> <li>■ Additional packaging for store supplies (swizzle stick)</li> </ul>
<b>Fresh drinks and warm food</b>	<ul style="list-style-type: none"> <li>● Fresh drinks: milk can, tea egg box, packaging provided by suppliers (carton for oden broth bags), packaging for seasoning</li> <li>▲ Packaging of coffee beans/fresh tea leaves</li> </ul>		<ul style="list-style-type: none"> <li>● Sealing film</li> <li>■ Carton</li> </ul>	<ul style="list-style-type: none"> <li>● Oden lid, plastic bag for warm food, net bag</li> <li>● Oden bowl, paper bag for warm food</li> <li>■ Cup and lid for cold drinks</li> <li>■ Paper cup, cup sleeve, cup holder</li> </ul>
<b>Store services</b>	NA	NA	NA	<ul style="list-style-type: none"> <li>● Shipping bag/document bag</li> <li>■ Shipping box</li> </ul>
<b>E-commerce (7-ELEVEN online shopping)</b>	NA		NA	<ul style="list-style-type: none"> <li>● Sealing tape/buffer material/packing bag</li> <li>■ Dedicated carton</li> </ul>

● Plastic Paper ■ Paper container ▲ Metal

## Packaging Material Reduction

We work with suppliers to think about how to remove, reduce or replace plastic materials in packaging material design from the source, as well as continuing with the “Packaging Weight Reduction Program” without affecting packaging safety, quality and convenience. We have developed a lightweight packaging material with reduced packaging thickness and a stable structure to reduce the amount of plastic used in fresh food packaging by adjusting the design. For example, the thickness of stewed rice and cold noodle packaging boxes has been redesigned to reduce an average of 3%.



### Cup on Loan

PCSC works with a social enterprise Good to Go to run the pilot of Cup on Loan program at 3 stores in Tainan. Customers can rent eco-friendly cups from the machine with a simple and fast procedure. The same discount for bringing your own cup is offered to this program as well. The cups are returned to the machine for Good to Go to collect, clean, deliver and refuse to reduce disposable cups. We hope to expand the reuse model to achieve plastic reduction targets sooner.

## Recycling Mechanism

PCSC has innovated in introducing a recycling machine to increase people’s willingness to recycle PET bottles through additional Open Point points. In 2020, the pilot program was launched at Changchuan and Xingyang stores. The Changchuan store has collected over 30,000 bottles in one month and more than 1,000 bottles per day for a week. Due to the remarkable results of the pilot program, PCSC aims at setting up 50 machines in 2021 to recycle an estimated 18.6 million bottles a year.



## Circular Economy Driven by Charity

PCSC does not act alone for its plastic reduction initiative but seeks to expand its economic, environmental and social influence at the same time. In 2021, PCSC plans to incorporate public welfare activities to realize circular economy, such as combining the resources from the Company, social enterprises and non-profit organizations to launch sustainable products in store. For example, the initiative of beverage cup carriers and Denim bags made with recycled PET bottles and milk bottles by mothers of children with cerebral palsy and tailors seeking a second career adhere to the “cradle to cradle” concept of circular economy.

PCSC expects to bring positive influence to the economy, environment and society by turning waste into brand new products. Consumers can contribute to environmental protection and public welfare through the act of purchase, assist local disadvantaged groups and reduce waste.